

ACTION

DEPARTMENT OF STATE
ARA/NEA REARCS

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ACTION: 01101

INFO: DSC-001 DSC-002 DSC-003 DSC-004 DSC-005 DSC-006 DSC-007 DSC-008 DSC-009 DSC-010
DAS-001 DAS-002 DAS-003 DAS-004 DAS-005 DAS-006 DAS-007 DAS-008 DAS-009 DAS-010
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ACTION ARA-02

INFO LOG-00 CME-00 COE-00 INRE-00 INR-05 NEA-00 NSAE-00
PA-02 PMS-01 P-00 78114

R 231244Z JAN 82 DEPT OF STATE ARA/NEA/00554

FM AMEMBASSY SANTIAGO
TO USIA WASHDC 3219
SECSTATE WASHDC 3765

UNCLAS SANTIAGO 00554

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E.O. 12356: NA
SUBJ: 1FKUB1: 0001: CHILEAN MEDIA GIVE WIDE PLAY TO
U.S. CUSTOMS RAID ON OFFICES OF CARDON INDUSTRIES

1. TWO JANUARY 21 SANTIAGO DAILIES WERE FIRST WITH
THE STORY THAT A FIRM RELATED TO CHILEAN ARMS
MANUFACTURER CARLOS CARDON HAD BEEN RAIDED IN MIAMI
BY U.S. CUSTOMS AGENTS IN SEARCH OF PROHIBITED LEGAL
ARMS TRADE. THE STORIES WERE BASED ON
JANUARY 16 AP WIRE STORY AND ON AN ABC NEWS PROGRAM.
EXCERPTS FOLLOW:

2. JANUARY 21 GOVERNMENT-OWNED DAILY "LA NACION"

CARRIED A STORY BASED ON THE ASSOCIATED PRESS
DISPATCH:

"...FOR TEN HOURS U.S. CUSTOMS AGENTS SEARCHED
THE OFFICE OF "SWISSCO MIAMI," SUSPECTING THAT THIS
FIRM HAD EXPORTED MATERIAL TO IRAQ FROM THE U.S.

"A LARGE AMOUNT OF MATERIAL WAS CONFISCATED BY
THE AGENTS AND THE MAKER OF THE FIRM, ANTHONY
MIRAJES, WAS RETAINED."

"ACCORDING TO BILLY WIFMAN, A JOURNALIST WHO
WORKS FOR GERMAN TELEVISION AND WHO HAS FOR SOME TIME
INVESTIGATED ISSUES CONCERNING CARDON INDUSTRIES,
"SWISSCO MIAMI" IS PART OF "SWISSCO CHILE," WHICH IN
TURN IS OWNED BY AUGUSTO GIANFRANCO AND MEMBERS OF
HIS FAMILY. ACCORDING TO THE GERMAN JOURNALIST,
AUGUSTO GIANFRANCO IS ALSO VICE PRESIDENT OF CARDON
INDUSTRIES."

"ONE OF THESE FIRMS WAS FINED ONE
HUNDRED THOUSAND DOLLARS IN 1983 FOR TRYING TO
ILLEGALLY EXPORT NIGHT VISIONS FROM THE U.S. TO THE
CHILEAN ARMY."

"THE GERMAN JOURNALIST ALSO STATED THAT AT THE
END OF DECEMBER, THE FIRM "CIECO" IN BREMEN, GERMANY,
A SUBSIDIARY OF "SWISSCO MIAMI," WAS RAIDED BY LOCAL
POLICE BECAUSE IT WAS SUSPECTED THAT IT HAD SOLD
MACHINERY TO IRAQ TO BE USED IN THE MANUFACTURE OF
FUSES."

"DURING THE SEARCH, THE POLICE EXAMINED DOCUMENTS
AND ONE HIGH RANKING OFFICIAL WAS INTERROGATED...."

"A THIRD FIRM LINKED TO CARDON INDUSTRIES IS
BEING NERVOUSLY SEARCHED FOR ALLEGED DELIVERY OF
EQUIPMENT TO "LA NACION" BY OF IRAQ...."

"JAN. 21 - SAN PABLO DE CHILE AFFILIATED DAILY
"LA EPICAL"

"THE U.S. FIRM "SWISSCO" OWNED BY THE CARDON
CONGLOMERATE, IS SUSPECTED OF HAVING SOLD TO IRAQ THE
PATTERN FOR A DETONATOR, USED FOR SEVERAL DIFFERENT
TYPES OF EXPLOSIVES, AFTER THE EMBARGO AGAINST IRAQ
HAD ALREADY BEEN DECREED BY THE U.N. "SWISSCO" WAS
SEARCHED FOR TEN HOURS BY FEDERAL AGENTS ON
THURSDAY...THE FIRM COULD BE DECLARED AN IRAQI AGENT
AND ITS ASSETS COULD BE CONFISCATED."

"AT THIS TIME, THE U.S. CUSTOMS SERVICE AND THE
DEPARTMENT OF DEFENSE ARE INVESTIGATING THE
INDUSTRIAL ACTIVITIES OF CARDON. IF HE IS FOUND
GUILTY OF COLLABORATING WITH IRAQ, THE OFFICE OF
FOREIGN ASSETS CONTROL COULD SEIZE ALL HIS ASSETS IN
THE U.S."

"THE PATTERNS WERE GOING TO BE EXPORTED UNDER THE
GUISE OF PARTS FOR INDUSTRIAL CLOTHES DRYERS, TO THE
FIRM "7TH OF APRIL," BELONGING TO THE INDUSTRIAL
COMPLEX IN TALIF, IRAQ. THIS COMPLEX WAS ONE OF THE

FAVORED TARGETS DURING THE MASSIVE BOMBARDMENT BY
MULTINATIONAL FORCES OF IRAQI TERRITORY DURING THESE
LAST FEW DAYS, AND WAS TOTALLY DESTROYED.
"THE OWNER OF "SWISSCO," ANTHONY MIRAJES, WAS
NOTIFIED ON THURSDAY BY U.S. AGENTS THAT THEY KNEW
ABOUT HIS ACTIVITIES AND HIS RESPONSIBILITY FOR THE
ENTRY OF WEAPONS INTO THE PERSIAN GULF REGION...."

"...IT IS KNOWN THAT CUSTOMS AGENTS AND OTHERS
FEDERAL AGENCIES HAVE BEEN INVESTIGATING CARDON FOR

SOME TIME.

"ONE REASON IT IS BELIEVED THAT HE IS NOT WELL
THOUGHT OF IS THE FACT THAT THE FEDERAL AVIATION
ADMINISTRATION HAS NOT YET GRANTED HIM CERTIFICATION
TO SELL THE U.S. HELICOPTER BELL 206, MODIFIED BY
CARDON, WHICH COULD BE ADAPTED FOR MILITARY USE BY
IRAQ, ACCORDING TO U.S. AUTHORITIES."

"INFORMATION COMING FROM THE U.S. WAS IT THAT
CARDON RECENTLY EXPRESSED HIS INTEREST IN BUILDING
WHAT EXPERTS CALL "THE POOR MAN'S ATOMIC BOMB"...."

4. JANUARY 22 GOVERNMENT-OWNED "LA NACION" CARRIED A
RELATED STORY BASED ON AN ABC NEWS PROGRAM
TRANSMITTED IN WASHINGTON:

"THE NAME OF CARLOS CARDON IS ON A LIST OF
SADDAM HUSSEIN COLLABORATORS WHO LIVE IN THE U.S.,
WHO HAVE COOPERATED WITH IRAQ TO OBTAIN WEAPONS, AND
WHOSE RECORDS HAVE BEEN REVIEWED BY THE FBI...."

"...ABC SAYS THAT CARDON DEVELOPED TWO ARMS
PLANTS OUTSIDE NORTHERN BAGHDAD IN ORDER TO BUILD,
AMONG OTHER WEAPONS, DETONATORS AND CLUSTER BOMBS
THAT COULD BE USED TOGETHER WITH CHEMICAL WEAPONS."

"ONE OF THE FIRST OBJECTIVES RECENTLY DESTROYED
BY THE BOMBINGS OVER BAGHDAD WERE THE WEAPONS
FACILITIES DEVELOPED BY CARDON...."

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DEPARTMENT OF STATE
ARA/NEA REARCS

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"...CARDOEN HAD EIGHT CHILEAN ENGINEERS WORKING IN IRAQ WHEN THE CRISIS BEGAN AND ALSO NOTED THE STRANGE CIRCUMSTANCES OF THE ASSASSINATION OF A BRITISH JOURNALIST IN SANTIAGO. A FEW DAYS AFTER HAVING MET WITH CARDOEN IN RELATION TO A STRANGE CARGO OF U.S. HELICOPTERS SOLD TO IRAQ."

"ACCORDING TO THE NEWS PROGRAM, A LARGE QUANTITY OF ARMAMENTS COULD HAVE BEEN SENT TO IRAQ THROUGH A BUSINESS BASED IN THE PORT OF BREMEN IN GERMANY."

"NBC NEWS REPORTED IN ITS EVENING NEWS PROGRAM THAT AUTHORITIES WERE INVESTIGATING CARDOEN'S POSSIBLE LINKS TO A SERIES OF BOMBS FOUND IN A WAREHOUSE IN MIAMI, WHICH SUPPOSEDLY HAD IRAQ AS THEIR DESTINATION."

5. JANUARY 23 NEWSPAPERS REPORTED THAT CARDOEN HAD DROPPED ALL ATTEMPTS TO OBTAIN PERMISSION FROM THE CHILEAN GOVERNMENT TO SELL ARMS TO COUNTRIES INVOLVED IN THE PERSIAN GULF WAR, "SPECIALLY SAUDI ARABIA."

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